

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Auditors and Treasurers

FROM: John Mallers, Budget Division Director *JMM*

DATE: August 27, 2008

SUBJECT: Property Tax Installment Plan

1. The Department of Local Government Finance (the "Department") will allow the adoption of a single tax billing date for 2008, only if an installment payment plan is made available to qualified taxpayers in the county. In accordance with IC 6-1.1-22-9.5 and IC 6-1.1-37-10(d), the installment payment plan must be adopted by the County Council and approved by the Department. The plan must allow qualified taxpayers to make a minimum of three (3) and up to six (6) installment payments on their property tax bill for 2008. The first payment in the installment plan is due on the day of the single tax billing date. The following installment payments are due on the same day of the month for the remaining number of months requested by the County Council and approved by the Department. In other words, if the single tax billing due date is November 10, 2008, the installment payments are due on the 10th day of each successive month for the number of months approved in the county's installment payment plan.

2. The tax payments can either be spread equally over a three (3) to six (6) month installment plan, or counties have the option of having fifty percent (50%) of the tax due on the single tax billing due date with the remaining fifty percent (50%) of the tax bill spread equally over the remaining installment payment due dates. As long as payments are made on the installment due dates, there will not be any penalties and interest. If installment payments are late, then penalties and interest will apply to the remaining balance of taxes due as described in IC 6-1.1-37-10.

3. A "qualified taxpayer" is an owner-occupant of an Indiana homestead, as defined in IC 6-1.1-20.9-1, who does not use an escrow account for the payment of their property taxes. A qualified taxpayer will have the option of either paying their tax liability entirely on the single billing due date, or in installments over the remaining payment dates as adopted by the County Council and approved by the Department. Counties are allowed to make this installment plan available to any other class of taxpayer as they see fit. For example, a county may also allow commercial property owners to pay their 2008 property taxes on an installment payment plan.

4. Counties are not required to adopt this installment plan. The installment plan is only required if a single tax billing due date is requested by the county. Counties may continue to have two (2) traditional bill due dates, as required by IC 6-1.1-22-9, if they so choose. However,

if a county chooses to send out a tax bill with two (2) equal installment payments, the due dates for each payment must be approximately six (6) weeks apart.

5. Attached to this email is a document that must be completed in order for the single tax billing date and installment payment plan to be approved. The document must be adopted by the County Council, signed by both the County Auditor and Treasurer, and approved by the Department. Counties are welcome to modify it if they wish, subject to Department approval.

6. Please contact John Mallers at jmallers@dlgf.in.gov if you have any questions.